



**COMMUNITY DEVELOPMENT COMMISSION
of the County of Los Angeles**

2 Coral Circle • Monterey Park, CA 91755
323.890.7001 • TTY: 323.838.7449 • www.lacdc.org



**Gloria Molina
Mark Ridley-Thomas
Zev Yaroslavsky
Don Knabe
Michael D. Antonovich**
Commissioners

Sean Rogan
Executive Director

February 1, 2011

Honorable Board of Commissioners
Community Development Commission of the
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

ADOPTED

Community Development Commission

#3-D FEBRUARY 1, 2011

Sachi A. Hamai
SACHI A. HAMAI
EXECUTIVE OFFICER

Dear Commissioners:

**APPROVE THE PURCHASE OF DELL COMPUTERS CORPORATION EQUIPMENT
FOR TECHNOLOGY INFRASTRUCTURE UPGRADE
(ALL DISTRICTS) (3 VOTE)**

**CIO RECOMMENDATION: (X) APPROVE
() APPROVE WITH MODIFICATION () DISAPPROVE**

SUBJECT

The Community Development Commission is in the fourth year of its six-year upgrade plan to upgrade information technology infrastructure equipment that is approaching end of life. This necessitates the purchase of replacement servers that will bring the Commission up to par with industry standards for replacement, and continue the modernization of infrastructure.

IT IS RECOMMENDED THAT YOUR BOARD:

1. Find that the purchase of computer equipment to upgrade infrastructure is not subject to the provisions of the California Environmental Quality Act (CEQA), as described herein, because the action will not have the potential for causing a significant effect on the environment.
2. Approve and authorize the Executive Director or his designee to incorporate up to \$208,395 into the Commission's information technology budget using division program funds included in the Commission's approved Fiscal Year 2010-2011 budget for this purpose.



3. Approve and authorize the Executive Director or his designee to execute, and if necessary, terminate a purchase order with Dell Computers Corporation (Dell) for \$189,450 to upgrade the Commission's technology infrastructure, following approval as to form by County Counsel.
4. Authorize the Executive Director or his designee to increase the amount of the purchase order by up to \$18,945 as needed for unforeseen costs, using the same source of funds described above.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The Commission adopted a server virtualization strategy in 2007. In May 2007, your Board approved the purchase of seven servers for the implementation of our virtual machine host environment. These machines will reach end of life in June 2011. The newer technology will refresh the aging equipment with fewer, more efficient and higher capacity servers, while being consistent with the CIO's Strategic Direction of server virtualization.

This action continues the virtualization strategy adopted by the Commission and parallels the CIO's Strategic Direction of server virtualization. The purchase of the virtual equipment will reduce the amount of future capital expenditures of physical servers, and provide a reduction of power consumption and space requirements, while increasing applications efficiency and speed. This project was originally planned for the 2011-12 fiscal year. However, given the critical business in production on this platform, it was determined that the Commission should adhere to the manufacturer's recommended service life and seek replacement of the machines prior to the end of the current fiscal year.

FISCAL IMPACT/FINANCING

There is no impact on the County general fund. The purchase will be funded with up to \$208,395 from the Commission's information technology budget using division program funds included in the Commission's approved Fiscal Year 2010-2011 budget.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The requested equipment purchase will not exceed a cost of \$208,395. This cost includes Dell's three-year extended warranty on the servers.

The CIO has reviewed and approved this request as reflected in the CIO Analysis provided as an attachment to this letter.

ENVIRONMENTAL DOCUMENTATION

Computer equipment purchases are exempt from the provisions of the National Environmental Policy Act pursuant to 24 Code of Federal Regulations, Part 58, Section 58.35 (b)(3), because the project involves activities that will not have a physical impact on or result in any physical changes to the environment. This action is not subject to the provisions of CEQA pursuant to State CEQA Guidelines 15060(c)(3) and 15378, because it is not defined as a project under CEQA and does not have the potential for causing a significant effect on the environment.

CONTRACTING PROCESS

The Commission is taking advantage of the discounted price for Dell equipment leveraged through the Cooperative Government Agreement - Los Angeles County Master Agreement (MA), #MA-IS-43470-1.

IMPACT ON CURRENT SERVICES AND PROJECTS

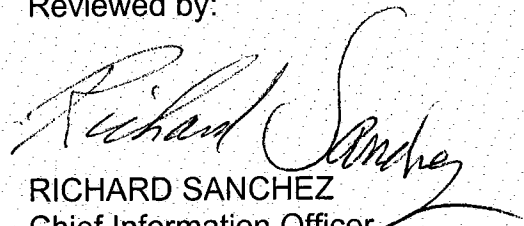
If approved, the purchase of Dell equipment will ensure that the Commission can provide the infrastructure necessary to support the numerous applications the Commission utilizes. It is expected that the project will be completed within three months from approval. If the purchase is delayed, progress in implementing the virtualization strategy and continuing improvements to the overall technology would be delayed. If the purchase is not made, the Commission will have to increase its capital expenditures to replace end of life physical servers, which is in opposition to the virtualization strategy of both the CIO and the Commission.

Respectfully submitted,



SEAN ROGAN
Executive Director
COMMUNITY DEVELOPMENT COMMISSION
COUNTY OF LOS ANGELES

Reviewed by:



RICHARD SANCHEZ
Chief Information Officer
COUNTY OF LOS ANGELES

CIO ANALYSIS

PURCHASE OF DELL COMPUTER EQUIPMENT FOR TECHNOLOGY INFRASTRUCTURE UPGRADE (ALL DISTRICTS) (3 VOTES)

CIO RECOMMENDATION:

☒ APPROVE
☐ DISAPPROVE

☐ APPROVE WITH MODIFICATION

Contract Type:

☐ New Contract
☐ Sole Source Contract

☐ Contract Amendment
☒ Hardware Acquisition

☐ Contract Extension
☐ Other

New/Revised Contract Term:

Base Term: N/A

of Option Yrs: 0

Contract Components:

☐ Software
☐ Professional Services

☒ Hardware

☐ Telecommunications

Project Executive Sponsor: Sean Rogan, Executive Director, CDC

Budget Information :

Y-T-D Contract Expenditures	\$ 0
Requested Contract Amount	\$ 189,450
Requested Contingency	\$ 18,945
Aggregate Contract Amount	\$ 208,395

Project Background:

Yes	No	Question
<input type="checkbox"/>	<input checked="" type="checkbox"/>	Is this project legislatively mandated?
<input type="checkbox"/>	<input checked="" type="checkbox"/>	Is this project sub vented?
<input type="checkbox"/>	<input checked="" type="checkbox"/>	Is this project/application applicable to (shared use or interfaced) other departments? If yes, name the other department(s) involved?

Strategic Alignment:

Yes	No	Question
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Is this project in alignment with the County of Los Angeles Strategic Plan?
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Is this project consistent with the currently approved Department Business Automation Plan?
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Does the project's technology solution comply with County of Los Angeles IT Directions Document?
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Does the project technology solution comply with preferred County of Los Angeles IT and security Standards?
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Has data for this contract and/or project been entered into the Information Technology Tracking System (ITTS)?

Project/Contract Description:

The Community Development Commission (Commission) is requesting Board approval to replace IT infrastructure equipment that is in support of the County Chief Information Office's (CIO) virtualization strategy to reduce cost. The current equipment is now approaching end of life. The replacement of the equipment will be accomplished via a purchase from Dell Computers Corporation (Dell) of four (4) servers to operate as virtual machines at a not-to-exceed cost of \$208,395.

There is no impact on the County's General Fund. Funding for this purchase is included in the Commission's approved Fiscal Year (FY) 2010-11 Budget.

Background:

The Commission adopted a server virtualization strategy in 2007 which is consistent with the CIO's Strategic Direction for server virtualization. In May 2007, the Board approved the purchase of seven (7) servers for the implementation of their virtual machine host environment. The recommended life cycle for servers is typically four (4) years; therefore, this hardware will be due for replacement in June 2011. The newer technology will refresh the aging equipment with fewer, more efficient, and higher capacity servers.

Project Justification/Benefits:

The purchase of the equipment is best practices of replacing server hardware on a four-year cycle to take advantage of improvements in technology performance and efficiency. This project was originally planned for FY 2011-12.

The new servers will support critical departmental applications, including financials, payroll, and decision support tools that improve the Commission's operational efficiency and productivity.

Project Metrics:

Following Board approval, completion of this hardware replacement project is scheduled to take three months.

Impact on Service Delivery or Department Operations, if Proposal is Not Approved:

Delays in replacing this equipment could introduce some additional risk of potential server problems that could, in turn, potentially impact key departmental operations.

Alternatives Considered:

Dell equipment is the Commission's standard for server hardware; therefore, no other alternatives were considered.

Project Risks:

Potential risks in this effort are minimal as it is an equipment replacement.

Risk Mitigation Measures:

The Commission will follow accepted project management practices to meet requirements for project quality, scope, schedule, and budget. The Commission is requesting approval of this purchase in time to allow for equipment replacement consistent with the four-year replacement cycle.

The County Chief Information Security Officer (CISO) has reviewed the proposed purchase and did not identify any security risks or issues.

Financial Analysis:

The anticipated purchase cost for this (Dell equipment) networking infrastructure upgrade is \$189,450. Authorization is requested to increase the purchase order by no more than 10% for unforeseen costs for a total purchase price not to exceed \$208,395. Funding for the purchase is included in the Commission's approved FY 2010-11 Budget. The Commission plans to utilize discounted pricing available via the Los Angeles County Master Agreement, #MA-IS-43470-1.

CIO Concerns:

None.

CIO Recommendations:

My Office recommends the approval by the Board of the proposed acquisition.

CIO APPROVAL

Date Received: December 15, 2010

Prepared by: John Arnstein

Date: January 12, 2011

Approved: 

Date: 1-12-11